



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

OFFICE OF HEALTHY HOMES AND  
LEAD HAZARD CONTROL

February 9, 2012

The Honorable Frank G. Jackson  
Mayor of the City of Cleveland  
601 Lakeside Avenue East, Room 202  
Cleveland, Ohio 44114-1015

Re: Lead-Based Paint Hazard Control grant OHLHB0400-08  
Lead Hazard Reduction Demonstration grant OHLHD0188-08

Dear Mayor Jackson:

Thank you for your personal involvement and cooperation in the decision to extend the Lead-Based Paint Hazard Control (LBPHC) grant (OHLHB0400-08) that was extended on December 29, 2011, and the management decision to move the grant from the Department of Health to the Department of Community Development. The Office of Healthy Homes and Lead Hazard Control (OHHLHC) is providing assistance to ensure that this transition is successful. The extension called for completion of certain conditions during the first 60 days (i.e., by February 28, 2012). Among the conditions are the following:

1. Transfer management and administration of the grant from the Department of Health to the Department of Community Development.
2. Appoint a new Project Director and a new Program Manager.
3. Review the current work plan, budget, and benchmark goals for performance, make any necessary revisions, and submit the materials to the OHHLHC.
4. Review and provide assurance that all housing units counted as completed under this grant met grant eligibility requirements and had lead hazard control work conducted in accordance with grant requirements. Any questions about eligibility may be directed to the OHHLHC.

As of January 2012, the City has not reported match or leveraging for the LBPHC grant (nor for its Lead Hazard Reduction Demonstration grant, as discussed below). While the LBPHC grant does not have benchmarks for the timing of match or leverage, the City was required to report, under 24 CFR 85.40(b)(1), its quarterly performance, of which the use of match and leveraged resources is a critical component. Of particular significance, the City needs to demonstrate that has met the legally mandated match for the LBPHC grant, and has provided the additional leverage amount to which it has committed itself. As part of its reporting on the LBPHC grant for the period through February 28, 2012, the City must report on its actual match and leveraging for the grant through that date.

As specified in the extension documents, if the extension's preliminary conditions are met, as we fully expect, the grant will be extended through August 31, 2012. If the conditions are not all met by February 28, 2012, the grant will be terminated at that point.

In addition, the Department of Health must continue its work to close out the City's Lead Hazard Reduction Demonstration (LHRD) grant (OHLHD0188-08), which ended on December 15, 2011. The closeout period is 90 days from the date the grant ended. Please complete the following actions by March 14, 2012:

1. Resolve outstanding issues relating to unit count and eligibility.
2. Complete units under contract and provide assurance that all units met eligibility requirements and had lead hazard control work conducted in accordance with grant requirements.
3. Provide an accounting of all funds expended.
4. Provide the final closeout report and the final Standard Form 425, Federal Financial Report.
5. Document that match and leverage have been provided at the amounts required by law, the Notice of Funding Availability (NOFA) under which the grant was awarded, and your grant agreement.

If the City's performance on the extended LBPHC grant through its completion date of August 31, 2012, is rated by the OHHLHC as Green, and it has shown that it met its match and leveraging commitment, based on the OHHLHC's review of the City's final report for that grant, then, in accordance with the criteria below, the OHHLHC will consider a request from the City to extend the LHRD grant. In preparing to decide whether to make such a request, the City may want to consider that the LHRD grant would begin any extension period on High Risk status, in accordance with 24 CFR 85.12(a)(1), regarding the history of unsatisfactory grant performance, and that the City would be ineligible for an FY 2013 lead hazard control grant if the LHRD grant were active and still on High Risk on the submission deadline for the FY 2013 Lead Hazard Control NOFA. The City would have one, or, possibly, at most, two quarters to raise the grant's performance out of High Risk status for it to be eligible for an FY 2013 grant. The precise duration is unknowable at this point because HUD's FY 2013 budget has not yet been enacted, and, as a result, the schedule for FY 2013 NOFA is undetermined.

The City was not eligible to apply for the FY 2012 NOFA due to the High Risk performance status of its fiscal year 2008 lead grants. The City's eligibility for future funding will depend on its successfully performing the Lead-Based Paint Hazard Control grant as well as its meeting all requirements for removal of the High Risk status on this grant. Similarly, if the City chooses to request an extension of the Lead Hazard Reduction Demonstration grant, its eligibility for FY 2013 funding will be affected by its performance on that extended grant. Because a grantee's past performance is a factor in rating grant applications, the review of the City's applications for future grants will consider its record on its FY 2008 and other lead grants. The ultimate goal will be for the City to show sufficient progress to have an opportunity to be competitive for future grants.

I appreciate the focus the City of Cleveland is giving to these grants, and for your commitment to providing safe and affordable housing to its families. I am optimistic that the City will meet the grant conditions above and be successful in meeting the grant's performance requirements. My Office is committed to providing all necessary technical and managerial assistance to the City of Cleveland for successfully implementing the grant.

The Government Technical Representative for both grants, Jerry Freese, is available at (202) 402-7519 to provide technical assistance to your staff. Please feel free to contact me at (202) 708-0310 with any further questions or concerns you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon L. Gant". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail that extends to the right.

Jon L. Gant  
Director

cc: Karen Butler, Director, Cleveland Department of Public Health  
Daryl Rush, Director, Cleveland Department of Community Development  
Peter A. Kovar, Assistant Secretary for Office of Congressional  
and Intergovernmental Relations, HUD  
Michelle M. Miller, Director, OHHLHC Programs Division, HUD